

History of Health Insurance Trust Fund

Towns of Amherst and Pelham
and
Amherst Pelham Regional School District

Beginning of the Health Insurance Trust Fund

- ❖ 1986 Annual Town Meetings – the Towns adopted Mass. G.L. Ch. 900, Acts of 1977, §3A, amending Ch.32B: Establishing a claims trust fund to self insure for health insurance. Blue Cross Blue Shield was only plan that was self insured at this time.
- ❖ Health Claims Trust Fund (HCTF) is essentially a separate entity that belongs to the employers and employees – per the Trust agreement, only expenses related to the health insurance are allowed.
- ❖ Although Sec. 3A does not require an Insurance Advisory Committee (IAC), the employers continued to have the IAC and expanded upon the concept to include a representative from each employee group and a retiree representative.
- ❖ In 1987, there were some large claims which resulted in a substantial increase in premium rates.

The 1990's

- ❖ Early 1990's brought recession and employers elected not to increase premiums in an effort to save money – for 3 years there were no increases in premiums for Blue Cross Blue Shield while during that period Kaiser Permanente increased 60%. Blue Cross Blue Shield were the lowest in the State.
- ❖ Harvard Pilgrim Health Care PPO (HPHC) replaced the Community Health Plan/Kaiser Permanente (CHP/KP) HMO plan – Important facts:
 - HPHC was part of the Health Claims Trust Fund – CHP/KP had not been
 - The PPO replaced the HMO
 - The employers continued to treat the HPHC PPO as though it was an HMO and paid an equal dollar amount - resulting in 80-82% of the premiums being paid by the employer thus providing a greater benefit than required.
- ❖ 1998 brought some large claims for Blue Cross Blue Shield Plan while the rate increases had continue to be minimal. Between 1998 – 2000 brought 25% rate increase 10% and 15% respectively).

In the years 2000 - 2005

- ❖ With both health insurance plans in the Trust Fund and low claims, it began to grow; reached a high of \$2.1 million in 2002.
- ❖ However, beginning in 2003, the group experienced a period of more than 20 large claims. This coupled with inadequate premium increases and an antiquated plan design resulted in the Trust Fund being drained.
- ❖ In addition, the difficulties of other municipalities in Massachusetts with regard to their trust funds for health insurance prompted the State to require minimum reserves resulting in the need to both increase rates and institute a surcharge to repay loans made from the General Fund to the Trust Fund.
- ❖ During 2005, a consultant was hired to assist in evaluating the Trust Fund and make recommendations for the group. July of 2005 brought a 36% premium increase.

2005 Plan to address Health Insurance Crisis

❖ The results of several months of meetings with the carriers, consultant, and the IAC were:

- Eliminated the antiquated and costly Master Medical Plan
- Re-introduced lower cost Health Maintenance Option (HMO) plans for employees and retirees
- Contracted with Re-insurance carrier for Individual Stop Loss Insurance
- Return to employee/employer contribution percentages of 25/75 for the HPHC Preferred Provider Option (PPO)
- Increased marketing of lower cost mail order drugs, including Canadian Rx option
- Promoted income tax advantages of Flexible Spending Accounts

Continuing the Work for a “Healthy” Trust Fund

- ❖ Rejuvenated quarterly, or sometimes more frequent, meetings of the IAC
- ❖ Instituted ongoing benefits consultant services for quarterly monitoring of HCTG
- ❖ Aggressively working with claims and re-insurance options to address catastrophic claims
- ❖ Annual Town Meeting adopted MGL 32B, §18A which requires all future retirees over 65 to enroll in Medicare plans.
- ❖ Increased co-pays of the HPHC PPO plan to bring it in line with the other plans offered to group. All plans now have the following co-pays:
 - \$15 Office Visits – specialists, mental health, physical therapy
 - \$50 Emergency Room (waived if admitted or observation)
 - \$10/\$25/\$45 30-day supply prescription at retail pharmacy
 - \$10/\$25/\$45 90-day supply prescription mail order
 - NO co-pay for those prescriptions processed by Canadian pharmacy

Now and the Future

- ❖ Trust Fund has steadily increased since changes were made beginning in 2006. Deficit eliminated and appropriate reserve for future claims restored.
- ❖ Having met the required reserves and repayment of loans from the Town of Amherst, Trust Fund was able to:
 - Allow both employees and employers to have a premium holiday for May 2009.
 - Increase risk sharing by lowering threshold for re-insurance to take over payment of claims.
 - Require less of a premium increase than originally anticipated thus saving for both the employees and employers - July 1, 2009 was originally budgeted for a 6% increase but actual increase averaged 3%.
 - Average annual increase in costs from FY 01- 06 was 17.4%.
 - Average annual increase in costs last 3 years (FY 07 -09) was 7.4%, which is below the industry trend.
- ❖ As of November 1, 2009 Trust Fund is approximately \$3,000,000.
 - Important to remember: money can only be used for health insurance related expenses!

Future

- ❖ Continue to aggressively monitor the Trust Fund. While presently in a very positive state, must continue to increase premiums to keep up with inflationary health care costs.
- ❖ Recommend a modest premium increase in the FY11 budget.
- ❖ Will continue to explore with the IAC possible changes in plan design to restrain cost growth.
- ❖ Monitor the Group Insurance Commission as a possible alternative to the Trust Fund.
 - Possible Disadvantages:
 - GIC is in great financial difficulty; will be implementing more changes in February 2010 to try to resolve some of the issues.
 - Once move is made from self insured to the GIC committed to minimum of 3 years with no control over costs or plan design.
 - Our current premium rates are lower than the GIC indemnity rates – 95% of our retired municipal teachers are enrolled in indemnity plans so it would be reasonable to assume a similar enrollment by active employees
 - While not the majority, we have a substantial number of employees loyal to Blue Cross Blue Shield - not offered by the GIC
 - To move to the GIC requires adoption of MGL 32B, §19 (Coalition Bargaining). Although our IAC can be compared to the intent of coalition bargaining, it is not such in the legal world.
 - Possible Advantages:
 - Offers a broader selection of health plans for employees to be enrolled in
 - Removes our staff from management of the fund
 - Broadens the pool of lives to spread the expenses across

Plan Comparisons For HTFG

PREMIUM RATES	NETWORK BLUE		BLUE CARE ELECT PPO	HARVARD PILGRIM		HARVARD PILGRIM PPO
	NEW ENGLAND HMO			HMO 90		
	80/20 Contribution	Equal \$ Contribution		80/20 Contribution	Equal \$ Contribution	
<u>Total Premium Rate</u>						
Individual	\$560.90	\$560.90	\$625.22	\$560.90	\$560.90	\$625.22
Family	\$1,341.48	\$1,341.48	\$1,495.30	\$1,341.48	\$1,341.48	\$1,495.30
EMPLOYEE PAYS						
Individual	\$112.18	\$91.98	\$156.30	\$112.18	\$91.98	\$156.30
Family	\$268.30	\$220.00	\$373.82	\$268.30	\$220.00	\$373.82
<u>Total Biweekly payroll deduction</u>						
Individual	\$56.09	\$45.99	\$78.15	\$56.09	\$45.99	\$78.15
Family	\$134.15	\$110.00	\$186.91	\$134.15	\$110.00	\$186.91
Dependent coverage to age 19; to age 25 if full time student on all plans						
	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY
Deductible	None	None	\$100 Individual \$200 Family	None	None	\$100 Individual \$200 Family
Calendar Year Coinsurance Maximum	None	None	\$1,000 per member \$2,000 per family	\$1,000 Individual \$2,000 Family	None	\$1,000 Individual \$2,000 Family
Lifetime Benefit Maximum	None	None	None	None	None	None

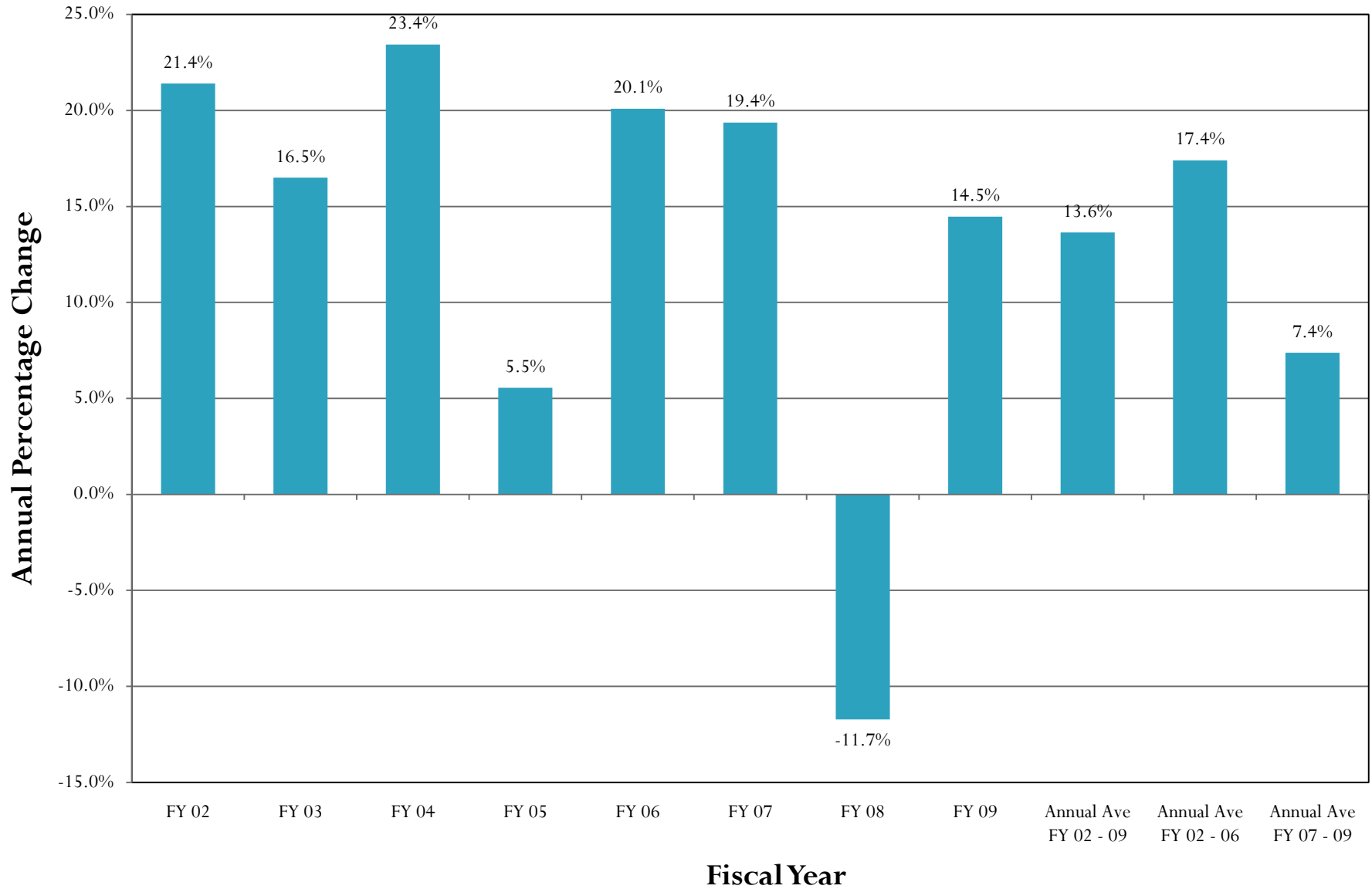
	NETWORK BLUE	BLUE CARE ELECT		HARVARD PILGRIM	HARVARD PILGRIM PPO	
	NEW ENGLAND	IN-NETWORK	OUT-OF-NETWORK	HMO 90	IN-NETWORK	OUT-OF-NETWORK
INPATIENT	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY
Hospital care, semi-private room & board, surgical services (including Day Surgery), x-rays, laboratory tests, Anesthesia, drugs and medications, Physician's services, maternity care, Intensive care services	Nothing	Nothing	20% coinsurance** No deductible or Co-pay for emergency	Nothing	Nothing	20% coinsurance**
Skilled Nursing Facility	Nothing to 100 days per calendar year	Nothing to 100 days per calendar year benefit maximum in & out-of-network combined	20% coinsurance**	Nothing 60 days per calendar year	Nothing to 100 days per calendar year benefit maximum in & out-of-network combined	20% coinsurance**
Rehabilitation Hospital	Nothing to 100 days per calendar year	Nothing to 100 days per calendar year benefit max. in & out-of-network combined	20% coinsurance**	Nothing 60 days per calendar year	Nothing to 100 days per calendar year benefit maximum in & out-of-network combined	20% coinsurance**
OUTPATIENT HOSPITAL	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY
Emergency Room visits for emergency, accident or medical care	\$50/visit; waived if admitted or observation stay	\$50/visit; waived if admitted or observation stay	\$50/visit; waived if admitted or observation stay	\$50/visit; waived if admitted or observation stay	\$50/visit; waived if admitted or observation stay	\$50/visit; waived if admitted or observation stay
Surgery; radiation; chemotherapy; Diagnostic X-ray and Lab; Hem dialysis	Nothing	Nothing	20% coinsurance**	Nothing	Nothing	20% coinsurance**
Physical & Occupational Therapies	\$15 per visit	\$15 per visit	20% coinsurance**	\$15/visit up to 60 consecutive days per condition	\$15/visit up to 90 consecutive days per condition	20% coinsurance** to 90 consecutive per condition
PHYSICIAN'S OFFICE	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY
Surgery	Nothing	Nothing	20% coinsurance**	Nothing	Nothing	20% coinsurance**
Medical and maternity care, allergy injections, diagnostic tests & x-rays	\$15 per visit	\$15 per visit	20% coinsurance**	\$15 per visit	\$15 per visit	20% coinsurance**
Routine Pediatric Visits	\$15 per visit	\$15 per visit In & out-of-network combined	20% coinsurance	\$15 per visit	\$15 per visit	20% coinsurance**

	NETWORK BLUE	BLUE CARE ELECT		HARVARD PILGRIM	HARVARD PILGRIM PPO	
	NEW ENGLAND	IN-NETWORK	OUT-OF-NETWORK	HMO 90	IN-NETWORK	OUT-OF-NETWORK
PHYSICIAN'S OFFICE	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY
Adult Routine Physicals	\$15 per visit	\$15 per visit	20% coinsurance**	\$15 per visit	\$15 per visit	20% coinsurance**
Routine Vision Exam	\$15 per visit once every year	\$15 per visit once every year	All charges	\$15 per visit	\$15 per visit	20% coinsurance**
MENTAL HEALTH	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY
<u>BIOLOGICALLY-BASED CONDITIONS</u>						
-Inpatient admissions in a general or mental hospital	Nothing	Nothing	20% coinsurance**	Nothing	Nothing	20% coinsurance**
-Outpatient visits	\$15 per visit	\$15 per visit	20% coinsurance**	\$15 per visit	\$15 per visit	20% coinsurance**
<u>NON-BIOLOGICALLY-BASED MENTAL CONDITIONS</u>						
(Includes drug addiction & alcoholism Inpatient admit in mental hospital or substance abuse treatment facility (to 60 days per calendar year benefit maximum	Nothing	Nothing	20% coinsurance**	Nothing	Nothing	20% coinsurance**
	Nothing	Nothing	20% coinsurance**	Nothing	Nothing	20% coinsurance**
Outpatient visits	\$15 per visit to 24 per calendar year	\$15 per visit to 24 visits per calendar year benefit max. in and out-of-network combined	20% coinsurance**	\$15 per visit	\$15 per visit to 24 visits per calendar year benefit max. in and out-of-network combined	20% coinsurance**
<u>ALCOHOLISM TREATMENT (IN ADDITION TO NON-BIOLOGICALLY BASED MENTAL CONDITIONS)</u>						
Inpatient admissions in substance abuse treatment facility up to 30 days per year per calendar year)	Nothing	Nothing	20% coinsurance**	Nothing	Nothing	20% coinsurance**
Outpatient visits	\$15 per visit to 8 per calendar year	\$15 per visit 8-visit per calendar year benefit maxi. in and out-of-network combined	20% coinsurance**	\$15 per visit first 8; \$25 per visit after 8 in calendar year	\$15 per visit first 8; \$25 per visit after 8 in calendar year	20% coinsurance**

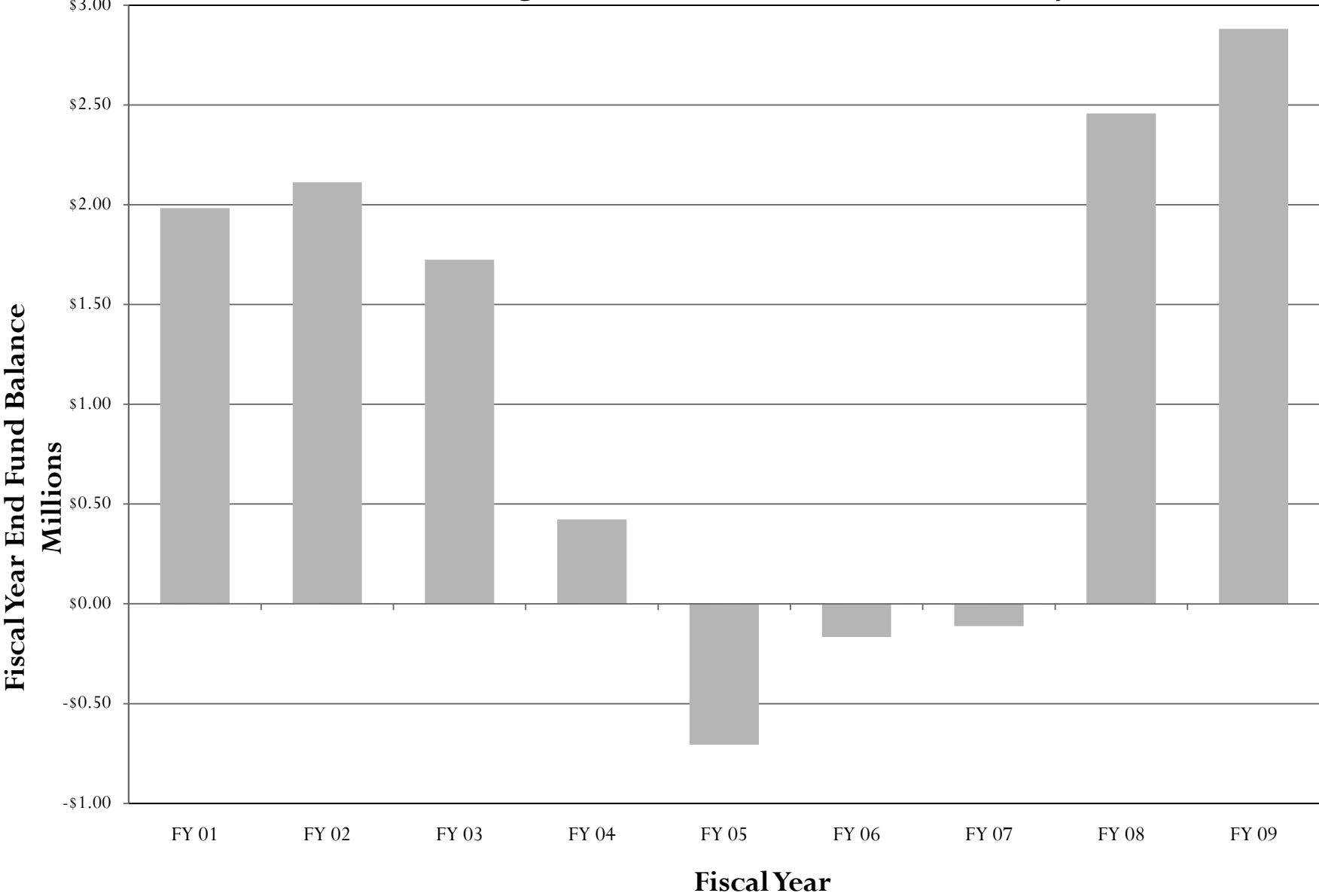
	NETWORK BLUE	BLUE CARE ELECT		HARVARD PILGRIM	HARVARD PILGRIM PPO	
	NEW ENGLAND	IN-NETWORK	OUT-OF-NETWORK	HMO 90	IN-NETWORK	OUT-OF-NETWORK
OTHER OUTPATIENT	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY	YOU PAY
Visiting Nurse or Home Health Care	Nothing	Nothing	20% coinsurance**	Nothing	Nothing	20% coinsurance**
Durable Medical Equipment	Nothing - \$1,500/yr. member max.	Nothing \$1,500 per year benefit max. In & out of Network combined	20% coinsurance**	Nothing - \$2,500/yr. member max.	Nothing Up to \$5,000 per year; in & out of network combined	20% coinsurance Max. of \$1,000
Ambulance Services	Nothing for emergency transport		20% co-insurance	Nothing for emergency transport		20% co-insurance
Chiropractic Care	\$15 per visit	\$15 per visit	20% coinsurance**	\$15 per visit up to 30 visits per year	\$15 per visit	20% coinsurance**
Dental Services	Nothing for children through age 12 for preventative care - 1 exam & cleaning 6 months	All Charges	All Charges	Nothing for children through age 12 for preventative care - 1 exam & cleaning 6 months	Nothing for children through age 12 for preventative care - 1 exam & cleaning 6 months	20% coinsurance**
Removal of Impacted Teeth	\$15 per visit	All Charges	All Charges	Co-pay determined by service location	\$15 per visit	20% coinsurance
Hospice Services	Nothing	Nothing	20% coinsurance**	Nothing	Nothing	20% coinsurance**
Fitness Benefit	Up to \$150 per year per policy			Up to \$150 per year per policy		
Other Discounts available:	Visit www.bluecrossma.com			Visit www.harvardpilgrim.org		
Prescription Drugs:	Tier 1 – generic	Tier 2 – preferred Brand	Tier 3 – non-preferred Brand	Tier 1 – generic	Tier 2 – preferred Brand	Tier 3 – non-preferred Brand
Mail Order – 90 day supply	\$10	\$25	\$45	\$10	\$25	\$45
Retail Pharmacy – 30 day supply	\$10	\$25	\$45	\$10	\$25	\$45
CanaRX brand name 90 day supply FREE			www.AmherstMeds.com			

Amherst Health Insurance Costs

Plan Changes Have Reduced Cost Increases



Amherst Health Claims Trust Fund
Plan Changes Have Restored Fund to "Healthy Levels"



	ACTUAL FY 01	ACTUAL FY 02	ACTUAL FY 03	ACTUAL FY 04	ACTUAL FY 05	ACTUAL FY 06	ACTUAL FY 07	ACTUAL FY 08	ACTUAL FY 09
Fund Balance Beginning of FY	\$ 1,274,714.28	\$ 1,983,363.90	\$ 2,112,720.59	\$ 1,724,684.67	\$ 422,668.06	\$ (705,441.82)	\$ (166,086.98)	\$ (111,893.20)	\$ 2,458,194.38
Premium Revenue BC/BS:									
Town of Amherst	\$ 338,547.68	\$ 284,177.32	\$ 245,281.49	\$ 234,638.00	\$ 218,859.00	\$ 237,020.12	\$ 342,522.87	\$ 427,181.21	\$ 490,285.69
Regional School	364,404.32	375,170.29	371,979.09	397,317.50	401,252.50	\$ 428,847.03	\$ 778,256.15	\$ 926,602.59	\$ 1,050,609.43
Amherst School	21,048.00	15,670.33	23,868.96	13,098.00	3,399.00	\$ 373,230.68	\$ 489,649.77	\$ 748,105.98	\$ 827,056.32
Town of Pelham	297,338.56	335,646.89	294,978.68	315,070.24	337,795.00	\$ 16,443.39	\$ 67,245.84	\$ 79,449.29	\$ 82,057.02
Retirees	378,050.92	394,572.20	365,060.77	349,060.00	339,606.00	\$ 485,795.28	\$ 501,791.82	\$ 500,601.88	\$ 484,880.77
OME	3,196.32	3,292.32	5,656.00	6,468.00	9,549.00	\$ 414,319.99	\$ 438,932.66	\$ 482,616.26	\$ 460,614.36
TEFRA	208,776.92	226,889.24	247,770.04	266,212.80	306,585.65	\$ 4,980.12	\$ 5,962.56	\$ 6,741.00	\$ 6,550.06
Premium Revenue HP:									
Town of Amherst	873,882.96	954,639.45	1,043,468.63	1,194,360.00	1,328,850.00	\$ 1,959,650.58	\$ 2,325,032.57	\$2,480,666.58	\$ 2,369,335.82
Regional School	147,214.34	180,781.25	209,662.12	256,412.16	335,705.06	\$ 2,390,717.31	\$ 2,586,673.04	\$2,638,885.97	\$ 2,415,242.23
Amherst School	985,068.04	1,071,292.73	1,192,463.80	1,323,841.00	1,428,142.00	\$ 1,987,716.67	\$ 2,269,141.31	\$2,344,695.54	\$ 2,067,841.97
Town of Pelham	1,052,732.76	1,162,925.82	1,307,862.51	1,459,130.86	1,669,240.00	\$ 188,734.86	\$ 234,052.24	\$ 244,370.45	\$ 254,816.56
Retirees	95,899.44	94,167.39	93,610.10	89,610.00	99,864.00	\$ 478,584.64	\$ 616,288.68	\$ 741,275.44	\$ 792,361.10
Other Revenue:									
Interest	74,023.65	45,496.12	20,729.89	5,928.16	3,502.89	\$ 10,501.67	\$ 8,517.53	\$ 20,213.50	\$ 44,916.14
Misc.	0.00	361.42	32,952.04	0.00	2,869.76	\$ 706,159.96	\$ 305,052.00	\$ 563,938.08	\$ 106,565.38
0	4,840,183.91	5,145,082.77	5,455,344.12	5,911,146.72	6,485,219.86	9,682,702.30	10,969,119.04	12,205,343.77	11,453,132.85
% Change		6.3%	6.0%	8.4%	9.7%	49.3%	13.3%	11.3%	-6.2%
Expenditures									
Salaries/Benefits	\$ 26,520.12	\$ 8,823.70	\$ 28,024.88	\$ 25,846.93	\$ 27,023.30	\$ 34,655.18	\$ 37,160.88	\$ 38,539.41	\$ 74,672.39
Management Services BC	145,971.40	156,622.95	166,132.56	203,344.72	212,982.33	\$ 173,115.45	\$ 207,744.64	\$ 223,479.87	\$ 252,820.07
Management Services HP	294,468.86	337,822.35	382,072.58	417,981.47	463,778.35	\$ 492,810.73	\$ 481,951.39	\$ 479,456.11	\$ 489,814.51
Claims exp - BC	1,447,075.38	1,346,528.08	1,440,256.17	1,956,043.49	2,103,845.58	\$ 2,100,752.56	\$ 2,861,297.21	\$2,377,471.47	\$ 2,761,410.44
Claims exp - HP	2,217,498.53	3,072,212.33	3,935,876.93	4,609,946.72	4,795,648.82	\$ 6,155,694.56	\$ 7,141,923.69	\$6,263,963.59	\$ 6,998,164.44
Reinsurance (Stop Loss)	0.00	93,716.67	106,949.44	0.00	0.00	\$ 161,318.98	\$ 151,784.65	\$ 163,426.74	\$ 175,733.62
Miscellaneous Expenses	0.00	0.00	(215,932.52)	0.00	10,051.36	\$ 25,000.00	\$ 18,105.20	\$ 17,400.00	\$ 191,932.13
Amherst Meds							\$ 14,957.60	\$ 71,519.00	\$ 85,161.80
Total Expenditures	4,131,534.29	5,015,726.08	5,843,380.04	7,213,163.33	7,613,329.74	9,143,347.46	10,914,925.26	9,635,256.19	11,029,709.40
Annual % Change		21.4%	16.5%	23.4%	5.5%	20.1%	19.4%	-11.7%	14.5%
Average Annual % Change: FY 01-09									13.6%
Average Annual % Change: FY 01-06									17.4%
Average Annual % Change: FY 07-09									7.4%
Income (Loss) from Operations	708,649.62	129,356.69	(388,035.92)	(1,302,016.61)	(1,128,109.88)	539,354.84	54,193.78	2,570,087.58	423,423.45
Fund Balance 6/30/XX:	1,983,363.90	2,112,720.59	1,724,684.67	422,668.06	(705,441.82)	(166,086.98)	(111,893.20)	2,458,194.38	2,881,617.83

Town of Amherst Health Claims Trust Fund
Health Insurance Premiums History

		1-Jul-2000	1-Jul-2001	1-Jul-2002	1-Jul-2003	1-Jul-2004	1-Jul-2005	1-Jan-2006	1-Jul-2006	1-Jan-2007	1-Jul-2007	1-Jul-2008	1-Jul-2009
BLUE CROSS BLUE SHIELD													
MASTER MEDICAL													
Family	Employee	25.0%	\$159.40	25.0%	\$164.18	25.0%	\$169.10	25.0%	\$176.00	25.0%	\$184.74	25.0%	\$252.54
	Employer	75.0%	\$478.16	75.0%	\$492.51	75.0%	\$507.29	75.0%	\$528.00	75.0%	\$554.26	75.0%	\$757.66
	Total Premium		\$637.56		\$656.69		\$676.39		\$704.00		\$739.00		\$1,010.20
	% Change			3.0%	3.0%	4.1%	5.0%						36.7%
Individual	Employee	25.0%	\$66.60	25.0%	\$68.58	25.0%	\$70.66	25.0%	\$73.50	25.0%	\$77.24	25.0%	\$105.60
	Employer	75.0%	\$199.76	75.0%	\$205.78	75.0%	\$212.14	75.0%	\$220.50	75.0%	\$231.76	75.0%	\$316.80
	Total Premium		\$266.36		\$274.36		\$282.80		\$294.00		\$309.00		\$422.40
	% Change			3.0%	3.1%	4.0%	5.1%						36.7%
BLUE CARE ELECT PREFERRED PPO													
Family	Employee							25.0%	\$243.70	25.0%	\$280.76	25.0%	\$313.90
	Employer							75.0%	\$731.15	75.0%	\$840.82	75.0%	\$941.70
	Total Premium								\$974.85		\$1,121.08		\$1,255.60
	% Change								15.0%		12.0%		7.0%
Individual	Employee							25.0%	\$101.90	25.0%	\$117.18	25.0%	\$131.24
	Employer							75.0%	\$305.72	75.0%	\$351.58	75.0%	\$393.76
	Total Premium								\$407.62		\$468.76		\$525.00
	% Change								15.0%		12.0%		7.0%
MEDEX 3													
Family	Employee	25.0%	\$57.86	25.0%	\$59.60	25.0%	\$61.39	25.0%	\$63.84	25.0%	\$67.03	25.0%	\$89.53
	Employer	75.0%	\$173.60	75.0%	\$178.80	75.0%	\$184.17	75.0%	\$191.52	75.0%	\$201.09	75.0%	\$268.59
	Total Premium		\$231.46		\$238.40		\$245.56		\$255.36		\$268.12		\$358.12
	% Change			3.0%	3.0%	4.0%	5.0%		33.6%		0.0%		3.0%
Individual	Employee	25.0%	\$57.86	25.0%	\$59.60	25.0%	\$61.39	25.0%	\$63.84	25.0%	\$67.03	25.0%	\$89.53
	Employer	75.0%	\$173.60	75.0%	\$178.80	75.0%	\$184.17	75.0%	\$191.52	75.0%	\$201.09	75.0%	\$268.59
	Total Premium		\$231.46		\$238.40		\$245.56		\$255.36		\$268.12		\$358.12
	% Change			3.0%	3.0%	4.0%	5.0%		33.6%		0.0%		3.0%
NETWORK BLUE HMO													
Family	Employee							19.6%	178.04	18.1%	189.50	18.1%	212.26
	Employer							80.4%	731.15	81.9%	856.07	81.9%	958.78
	Total Premium								\$909.19		\$1,045.57		\$1,171.04
	% Change								15.0%		12.0%		7.0%
Individual	Employee							19.6%	74.44	18.1%	79.22	18.1%	88.86
	Employer							80.4%	305.72	81.9%	357.96	81.9%	400.78
	Total Premium								\$380.16		\$437.18		\$489.64
	% Change								15.0%		12.0%		7.0%
HARVARD PILGRIM													
HARVARD PILGRIM PPO													
Family	Employee	13.3%	\$73.20	13.3%	\$75.40	13.3%	\$77.66	17.5%	\$112.00	20.1%	\$139.74	20.1%	\$191.04
	Employer	86.7%	\$478.16	86.7%	\$492.50	86.7%	\$507.29	82.5%	\$528.00	79.9%	\$554.26	79.9%	\$757.66
	Total Premium		\$551.36		\$567.90		\$584.95		\$640.00		\$694.00		\$948.70
	% Change			3.0%	3.0%	9.4%	8.4%		36.7%		6.5%		15.0%
Individual	Employee	13.8%	\$31.98	13.8%	\$32.94	13.8%	\$33.92	18.3%	\$49.50	21.2%	\$62.24	21.2%	\$85.10
	Employer	86.2%	\$199.78	86.2%	\$205.77	86.2%	\$211.94	81.7%	\$220.50	78.8%	\$231.76	78.8%	\$316.80
	Total Premium		\$231.76		\$238.71		\$245.86		\$270.00		\$294.00		\$401.90
	% Change			3.0%	3.0%	9.8%	8.9%		36.7%		5.1%		15.0%
HP MEDICARE ENHANCE													
Family	Employee	10.0%	\$18.13	10.0%	\$18.67	10.0%	\$19.23	10.0%	\$20.96	10.0%	\$22.10	16.5%	\$53.00
	Employer	90.0%	\$163.17	90.0%	\$168.07	90.0%	\$173.11	90.0%	\$188.68	90.0%	\$198.90	83.5%	\$268.59
	Total Premium		\$181.30		\$186.74		\$192.34		\$209.64		\$221.00		\$321.59
	% Change			3.0%	3.0%	9.0%	5.4%		45.5%		0.0%		14.7%
Individual	Employee	10.0%	\$18.13	10.0%	\$18.67	10.0%	\$19.23	10.0%	\$20.96	10.0%	\$22.10	16.5%	\$53.00
	Employer	90.0%	\$163.17	90.0%	\$168.07	90.0%	\$173.11	90.0%	\$188.68	90.0%	\$198.90	83.5%	\$268.59
	Total Premium		\$181.30		\$186.74		\$192.34		\$209.64		\$221.00		\$321.59
	% Change			3.0%	3.0%	9.0%	5.4%		45.5%		0.0%		14.7%
HARVARD PILGRIM HMO													
Family	Employee							19.6%	178.04	18.1%	189.50	18.1%	212.26
	Employer							80.4%	731.15	81.9%	856.07	81.9%	958.78
	Total Premium								\$909.19		\$1,045.57		\$1,171.04
	% Change								15.0%		12.0%		7.0%
Individual	Employee							19.6%	74.44	18.1%	79.22	18.1%	88.86
	Employer							80.4%	305.72	81.9%	357.96	81.9%	400.78
	Total Premium								\$380.16		\$437.18		\$489.64
	% Change								15.0%		12.0%		7.0%

**TOWN OF AMHERST, MASSACHUSETTS
HEALTH PLAN ENROLLMENT HISTORY ***

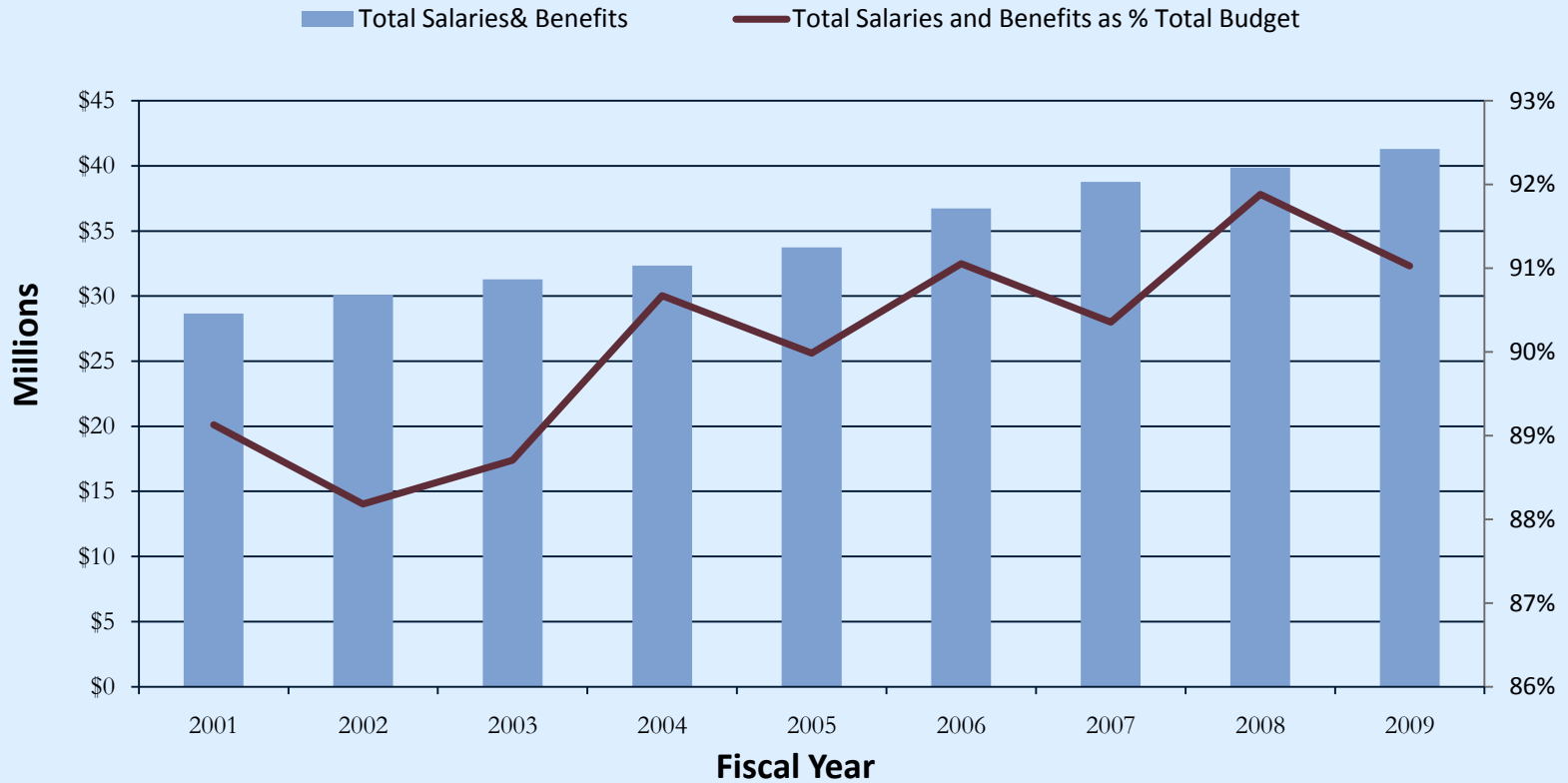
Last Updated:

18-Nov-2008

		Jan-06	Jul-06	Jan-07	Jul-07	Jan-08	Apr-08	Oct-08	Oct-09
PPOs:									
BCBS Blue Care Elect Preferred	Ind	85	87	88	80	76	73	64	64
	Fam	83	82	73	70	63	63	62	58
HPHC PPO	Ind	312	288	247	227	194	187	179	150
	Fam	455	395	349	339	324	323	299	253
Subtotal PPO		935	852	757	716	657	646	604	525
% of Active Plan Enrollment		99.0%	90.1%	82.4%	79.6%	74.5%	73.4%	69.2%	61.7%
HMOs:									
BCBS HMO Blue New England	Ind	1	10	23	27	45	53	57	51
	Fam	3	20	45	49	63	61	78	94
HPHC HMO	Ind	3	19	35	38	44	47	51	65
	Fam	2	45	59	70	73	73	83	116
Subtotal HMO		9	94	162	184	225	234	269	326
% of Active Plan Enrollment		1.0%	9.9%	17.6%	20.4%	25.5%	26.6%	30.8%	38.3%
MEDICARE SUPPLEMENT PLANS:									
BCBS - Medex	Ind	97	99	99	102	102	102	101	106
HPHC - Enhance	Ind	43	43	45	48	51	54	56	65
Subtotal Medicare Supp		140	142	144	150	153	156	157	171
TOTALS:									
	Ind	541	546	537	522	512	516	508	501
	Fam	543	542	526	528	523	520	522	521
	TOTAL	1084	1088	1063	1050	1035	1036	1030	1022

* Source data: EBS Foran Group Medical Plan Analysis Updates

Salaries & Benefits as Percentage Total Budget



Amherst Trend

Favorable	
Marginal	X
Unfavorable	
Uncertain	

Total benefit costs as a percentage of wages and salaries had increased dramatically over the past two years, with little reason for optimism that the trend will change. The rapid increase is primarily the result of increased costs of providing health benefits to municipal employees, as total spending on health benefits is projected to double from FY 2005 to FY 2008.